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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

MAY 26 1998

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	CCB-IAD File No. 98-101
Program to Monitor Impacts of)	
Universal Service Support Mechanisms)	

**COMMENTS OF SOUTHWESTERN BELL TELEPHONE COMPANY,
PACIFIC BELL, AND NEVADA BELL**

Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell (collectively, the "SBC LECs") submit their comments in response to the Public Notice regarding a program to monitor the impacts of universal service mechanisms.¹

The Bureau Should Seek to Advance only Universal Service Goals, to Minimize Any Additional Reporting Requirements, Especially on Eligible Telecommunications Carriers, and to Avoid Redundancy

As overarching principles in this proceeding, the Bureau should seek to advance only universal service goals with any required reporting, should seek to minimize such reporting, and should avoid redundancy of reporting. The FCC's delegation was made in the exclusive context of universal service, and the Bureau must remain true to that delegation. Accordingly, the Bureau is not authorized to collect data that is not directly tied either to "universal service" as defined by the Commission, or to the school/library or health care funds. For example,

¹ *Common Carrier Bureau Seeks Comment on Program to Monitor Impacts of Universal Service Support Mechanisms*, Public Notice, DA 98-580 (released April 24, 1998) ("Public Notice").

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information regarding market share data (Public Notice, ¶ 27), presubscribed line data (Public Notice, ¶ 44), infrastructure data ((Public Notice, ¶¶ 47, 48) and access minutes of use (Public Notice, ¶43) are each irrelevant to the subject of the delegation. Similarly, data collected elsewhere is not authorized by the delegation be published in connection with universal service monitoring, *e.g.*, revenue, expense, and investment data collected from incumbent local exchange carriers (“LECs”) through the ARMIS reports.

The Bureau should also seek to minimize the reporting requirements, especially those imposed on eligible telecommunications carriers. It would be fundamentally inconsistent with the 1996 Act, sound public policy, and the competitive nature of all telecommunications to further burden eligible carriers -- those who have made the commitment to serve the United States even where economically not justified -- with additional responsibilities and costs (absent increased universal service support for those burdens). In contrast, other carriers who have chosen to selectively serve only the most desirable customers would avoid such burdens. While some amount of reporting by eligible carriers likely cannot be avoided, the Bureau should take care not to create any greater disincentives to becoming an eligible carrier.

Finally, the Bureau should avoid redundancy, and not require carriers or other reporting entities to provide information already in the possession of the FCC or any fund administrator. In those cases, the data should be pulled from those internal sources as legally permitted.

Any Reporting Requirements Must Be Applied and Administered in a Competitively Neutral Manner

In order to remain true to the principle of competitive neutrality in the area of universal service,² any reporting requirement must be applied and administered equally to all relevant telecommunications carriers. Thus, where the information sought pertains to eligible telecommunications carriers, all eligible telecommunications carriers must participate equally, whether an incumbent LEC, a new entrant LEC, or a wireless carrier. Similarly, if the report seeks data from carriers generally, all carriers -- dominant and non-dominant -- must be subject to the reporting requirements.

Selectively imposing such requirements on any subset of telecommunications carriers would disadvantage and burden those entities, as well as provide an incomplete picture of the area sought to be explored and illuminated by the information being gathered or published. The result would be an analysis that would be inaccurate and distorted, and not yield useful information -- except to the competitors of the carriers whose information is being published.

Proprietary Information Must Be Protected

In any decision made by the Bureau, it must ensure that all proprietary information is given adequate protection from disclosure to prevent competitive harm to the providing carriers. In no event should proprietary data be published or otherwise made publicly available. As the

² See, e.g., *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, 12 FCC Rcd 8776 (“Universal Service Order”); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Recommended Decision, 12 FCC Rcd 87, ¶ 23 (1996).

telecommunications marketplace becomes increasingly competitive, the data and information necessary to accomplish such monitoring becomes increasingly sensitive. Entities providing information requested by the Bureau must be provided the opportunity to ensure, as necessary, that any proprietary information is protected from disclosure. Accordingly, as a general rule, no company-specific information should be published unless obtained from pre-existing public sources. In that regard, market-share data such as that referenced in paragraph 27 of the Public Notice is inappropriate for collection or public release. In the event that appropriate protection of proprietary information cannot be ensured, the providing entity should be exempted from providing such information.

The Common Carrier Bureau Should Require States to Provide State-Specific Data

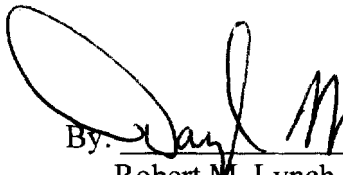
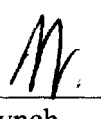
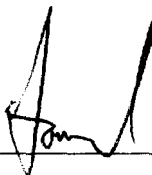
One of the issues raised in the Public Notice is whether reporting on State universal service programs should be required and included. The SBC LECs generally do not believe that there is a need to include such intrastate information in the reports that are intended to monitor the effects of the FCC's interstate programs.

If the Bureau nevertheless believes such State data should be included, it should look to the respective States to provide that data and not further burden carriers. It is unlikely that any carrier would possess the State-specific and State-wide information necessary to respond to the Bureau's requests, particularly those referenced in paragraphs 22 and 29 of the Public Notice.

Further, it would be inappropriate to impose such a requirement on any particular carrier or on all carriers for the reasons previously stated.

Respectfully submitted,

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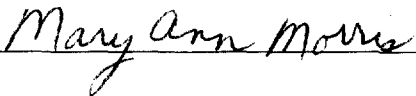
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May 26, 1998

CERTIFICATE OF SERVICE

I, Mary Ann Morris, hereby certify that the foregoing, "COMMENTS OF SOUTHWESTERN BELL TELEPHONE COMPANY, PACIFIC BELL, AND NEVADA BELL," in CC Docket No. 96-45, CCB-IAD File No. 98-101 have been filed this 26TH day of May, 1998 to the Parties of Record.



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May 26, 1998

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